

CHAPTER 69. EVALUATE PART 121/135 (10 OR MORE) OUTSOURCE MAINTENANCE ARRANGEMENT

SECTION 1. BACKGROUND

1. PROGRAM TRACKING AND REPORTING SUBSYSTEM (PTRS) ACTIVITY CODES.

A. Maintenance:

- 135 (10 or More): 3304, 3339, 3383
- 121 (Non-ATOS): 3617

B. Avionics:

- 135 (10 or More): 5339, 5383
- 121 (Non-ATOS): 5617

3. OBJECTIVE. This chapter provides guidance for ensuring that air carriers have adequate oversight for the performance of maintenance that they outsource. Air carriers must ensure that outsource maintenance providers are maintaining the aircraft, airframes, engines, propellers, appliances, emergency equipment, and components thereof, in accordance with the documented policies, procedures and instructions in the air carrier's manual and the applicable Title 14 of the Code of Federal Regulations (14 CFR).

5. GENERAL.

A. Outsource Requirements.

(1) Throughout the process of evaluating the outsourcing of maintenance, it is important to remember that the air carrier has the responsibility for the performance and quality of the maintenance (§§ 121.363 and 135.413). The air carrier cannot delegate this responsibility. The maintenance provider's organization becomes, in effect, an extension of the air carrier's maintenance organization. The air carrier must have the responsibility and the authority to decide what to do, when to do it, and how to do it.

(2) Title 14 CFR part 121, §121.367(a) and part 135, § 135.425(a) require that all maintenance,

preventive maintenance, or alterations performed by other persons be performed in accordance with the air carrier's manual. Air carrier's detail in their manuals the policies, procedures, instructions and methods for all maintenance personnel to follow to ensure the airworthiness of its aircraft, airframe, engines, propellers, appliances, emergency equipment and parts thereof. Since the regulations only require a maintenance provider to comply with the portions of the carriers manual that pertain to the performance of maintenance, it is not expected for every outsource provider to comply with every aspect of a carriers Continuous Airworthiness Maintenance Program (CAMP), therefore the carrier must detail in its manual exactly how the maintenance providers will perform maintenance.

(3) The performance of maintenance language includes all facets of performing maintenance on air carriers aircraft or components thereof and includes, but not necessarily limited to, the following areas of the air carrier CAMP:

- Maintenance personnel training (included inspection personnel and RII authorized personnel)
- Instructions for the accomplishment of maintenance and inspection (including the use of maintenance manuals, work cards, engineering orders, etc.)
- Duty time
- Maintenance documentation and that documentations control (including documenting scheduled and non-routine maintenance and the use of documents to control work packages)

- Maintenance records (including record retention and transfer of maintenance records)
- Parts handling, storage, and identification (including receiving inspection, and use of parts tags)
- Calibrated tools and test equipment

(4) These procedures must cover all aspects of outsourcing maintenance, from outsourcing heavy maintenance visits to component repair to on-call line maintenance. The carriers must establish in its manual the policies and procedures to administer, control, direct, and ensure proper performance of the work conducted by maintenance providers. The air carrier must specifically explain how the outsource provider will be provided the appropriate instructions for the accomplishment of the maintenance and must document the methods for identifying and disseminating those portions of the air carrier's manual a maintenance provider must follow. It is only when the air carrier has implemented these requirements that the regulatory requirements can be satisfied.

(5) Principles should explain to the carriers the benefits of having a separate chapter or section of their manual dedicated for all outsourcing maintenance requirements. It allows for easy recognition of the program and allows the carrier to provide the outsource maintenance provider with an easily controllable, convenient section of their manual to meet the requirements of part 145, § 145.205

(6) The carrier must ensure the organization or person used as a outsource provider has:

- (a) The capability to do the work;
- (b) An organization structured to do the work;
- (c) Competent, trained personnel to do the work;

(d) Relevant and current technical and administrative material from the air carriers manual for the work;

(e) Adequate facilities and equipment to do the work;

(f) The ability to transfer and receive data and information necessary to support the air carriers CASS; and

(g) A current listing of individuals trained, qualified, and authorized by the air carrier to conduct required inspections. The list must identify these individuals by name, occupational title, and the inspection(s) they are authorized to perform.

(7) The air carriers CAMP must also account for outsourced maintenance that is sub-contracted out to other repair stations and non-certificated entities. Air carriers that solely rely on the repair stations to oversee the sub-contracted work without involvement are doing so contrary to the regulations (§§ 121.363, 121.367(a), 135.413, and 135.425(a)). Air carriers must be aware of any third party, or more, contracting and provide instructions and direction for the performance of that maintenance. This also includes the subcontracting of labor that supplements the outsource providers labor.

(8) Because of the wide variety and different levels of outsourcing, air carrier's may evaluate and accept into their CAMP the procedures used by outsource providers for the performance of maintenance. However, the manner used to evaluate, accept, and authorize the outsource providers procedures must be contained in the carrier's CAMP.

B. Substantial Maintenance. On June 18, 1996, Administrator Hinson announced a program to improve the FAA Flight Standards' inspection policies. The Administrator outlined improvements to the air carrier inspection policy regarding substantial maintenance performed by persons other than the air carrier.

NOTE: The provisions of substantial maintenance provider guidance and the subsequent issuance of Operations

Specifications (OpSpec) D091 are only applicable to 14 CFR part 121 operators.

(1) These part 121 air carrier inspection policy improvements are centered on the following:

- Prequalification of new maintenance providers before they can be authorized for use
- The evaluation of current maintenance providers being used by air carriers
- The listing, on OpSpecs, of all maintenance providers who perform substantial maintenance

(2) These inspection policy improvements are a result of a recent perceived trend among some air carriers to neglect their responsibility to effectively control and oversee maintenance performed by maintenance providers. The air carrier's responsibility for the airworthiness of its aircraft, along with the associated requirement to be responsible for the performance of all elements of its CAMP, is restated and emphasized.

(3) Within the intent of this guidance and OpSpecs D091, substantial maintenance is defined as any activity involving a "C" check or greater maintenance visit; any engine maintenance requiring case separation or tear down; any major alterations or major repairs performed on airframes, engines, or propellers; and/or the painting of aircraft. Examples of substantial maintenance include:

(a) Accomplishment of scheduled heavy maintenance inspections (e.g., "C" checks, "D" checks, or equivalent), which may include the accomplishment of Airworthiness Directives, Airworthiness Limitation Items, and Corrosion Prevention and Control Program tasks applicable to aircraft primary structure.

(b) Accomplishment of off-aircraft maintenance or alteration of engines that involves the separation of modules or propellers, Full Authority Digital Engine Controls, major engine repairs, and repairs to life-limited parts such as compressors, turbine disks, and engine cases, but excluding parts such as blades, vanes, and burner cans.

(c) Accomplishment of off-aircraft maintenance or alteration of required emergency

equipment items such as slides and rafts, but excluding items such as medical kits, crash axes, life vests, and escape ropes.

(d) Accomplishment of aircraft painting refers to the painting of the entire aircraft or entire sections of an aircraft (i.e., wing, fuselage, empennage, etc.).

(4) Therefore, any maintenance organization that an air carrier arranges to provide any of the above type services must be classified as a substantial maintenance provider. This section also applies to maintenance providers who perform substantial maintenance on leased/exchanged parts/components, which will be used by the carrier on its authorized aircraft.

C. Examples of Maintenance Outsourcing. Any organization or person with whom the air carrier has made an arrangement and/or contract (informal/oral or formal/written) for the performance of any maintenance, preventive maintenance, or alterations involving their aircraft and/or components thereof, is considered an outsource maintenance provider. The following paragraphs describe general examples of outsourcing maintenance.

(1) *Air Carrier Arranges for the Performance of Maintenance.* This example includes arrangements with repair stations, certificated and non-certificated mechanics, or other certificated operators to repair, inspect, or overhaul engines, structures, airframes, and/or appliances that are not considered to be substantial maintenance as defined in this chapter. These arrangements can be continuous or on an "on-call" basis. Air carriers commonly refer to these arrangements as contract maintenance, on-call maintenance, or subcontract mechanics. The certificate holder who makes arrangements with these persons must ensure the work is performed in accordance with their manual.

(2) *Air Carrier Contracts for an All-Encompassing Maintenance Program.* These situations allow for an air carrier to contract with another equivalent air carrier for the purposes of the performance of maintenance (including required inspections). In this category, all maintenance is performed IAW the contractor's programs, methods, procedures, and standards. The air carrier's aircraft is considered part of the contractor's fleet for purposes of maintenance program content and maintenance

intervals, including reliability control. However, this does not alleviate the air carrier of its ultimate responsibility for the maintenance performed on its aircraft. The issuance of OpSpecs will authorize this type of contractual arrangement (see Vol. 2, Ch. 84, Part 121/125/135 OpSpecs).

(3) *Air Carrier Contracts Specific Functions Using the Contractor's Approved Maintenance Program.* This example is similar to that in paragraph 5C(2) except that the contract covers specific functions rather than an all-encompassing program. For example, the contract may cover heavy maintenance on engines under the contractor's approved maintenance program. The issuance of OpSpecs will authorize this type of contractual arrangement (see vol. 2, ch. 84).

(4) *Air Carrier Participates in a Parts Leasing or Exchanging Pool.* Because the air carrier is responsible for the airworthiness of its aircraft and the performance of its maintenance, arrangements with persons or organizations that supply parts and/or components, other than new, on a lease or exchange basis are also considered outsource maintenance providers. Leases or exchanges that do not allow the air carrier to be in control of the maintenance of the leased/exchanged part/component while it is in a maintenance status are contrary to the regulations as they circumvent the responsibility for the performance of maintenance.

D. Oversight Responsibilities of the Air Carrier.

(1) Per §§ 121.373 and 135.431, the air carrier must maintain a system for the continuing analysis and surveillance of the performance and effectiveness of its outsourced maintenance and provide corrective actions for any discrepancies found. As part of its Continuous Analysis Surveillance System (CASS), the air carrier should establish a schedule for accomplishing continuing audits or inspections, which are designed to determine the maintenance provider's level of compliance with the specific work instruction and the procedures in the air carrier manual. The frequency of these audits or inspections will be dictated by a number of variables, such as the air carrier's level of confidence in the maintenance provider, the complexity and quantity of the work, the quality of the work produced, and the quality of the records and certifications produced. Because of these variables, air carriers will have audit schedules that differ from one

another. Each air carrier should have an audit schedule based on its own unique set of circumstances and needs.

E. Coordinating Agencies for Supplier's Evaluation (C.A.S.E.).

(1) C.A.S.E., in a sense, functions as a contract auditor for its air carrier members. The C.A.S.E. audit, which is performed to the C.A.S.E. 1-A Standard, is intended to satisfy the air carrier's regulatory requirement for surveillance of the performance of their programs that are required by §§ 121.367 and 135.425. It is important to understand the possible limitations of the C.A.S.E. audit. Because some air carriers place specific needs unique to them on outsource providers, the C.A.S.E. 1-A Standard may not account for these requirements. The differences in the programs may be in the way the air carrier trains mechanics, the performance and recordation of maintenance, etc. If the C.A.S.E. 1-A Standard does not take these unique air carrier requirements into account, the air carrier must account for the differences. On the other hand an air carrier may not place any unique requirements on a outsource provider (i.e., the air carriers program instructs the outsource provider to perform all maintenance in accordance with the providers and the manufactures manuals) then the C.A.S.E 1-A Standard is sufficient for the surveillance of that provider. For example: A repair station's manual typically details the policies and procedures for documenting maintenance performed on the various repair stations forms. Air carrier XYZ brings maintenance to that repair station and requires the repair station to use the their non-routine forms and their inspection work cards to document compliance of maintenance. In this situation, the C.A.S.E. audit alone will not provide the surveillance to verify the repair station is completing air carrier XYZ's forms. For instances like this the carrier must supplement the C.A.S.E. audit or perform their own audit to ensure the proper performance of maintenance and compliance with the CASS regulations.

(2) In any case, the C.A.S.E. audit alone does not satisfy regulatory requirements. Data collected by the C.A.S.E. audit must be analyzed to determine that the air carrier's programs are working effectively and that any deficiencies are corrected. The C.A.S.E. program must be

integral to the air carrier's continuing analysis and surveillance system.

F. Airworthiness Release or Aircraft Log Entry Required by §§ 121.709 and 135.443. For the purposes of outsourcing maintenance, it is important to note that §§ 121.709(b)(3) and 135.443(b)(3) outline personnel requirements for preparing a airworthiness release or aircraft log entry. These regulations require a repairman, or appropriately certificated mechanic that is authorized by the air carrier to make these entries. These regulations do not contain provisions for a certificated repair station (inside the

United States) to make the certification to meet the requirements of §§ 121.709 and 135.443. This is particularly important for the air carriers to take into consideration when allowing outsource providers, especially repair stations approved under § 145.205(d) to perform line maintenance.

G. OpSpecs. Programs outlined in this chapter and authorized by OpSpecs D072 and D091, if applicable, become an integral part of the operator's CAMP. FAA Order 8300.10, vol. 2, ch. 84 contains the guidance and instructions for preparing and issuing OpSpecs.

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SECTION 2. PROCEDURES

1. PREREQUISITES AND COORDINATION REQUIREMENTS.

A. Prerequisites:

- Knowledge of the regulatory requirements of 14 CFR parts 121 and 135
- Successful completion of the Airworthiness Inspector Indoctrination course(s) or equivalent
- Previous experience with part 121 or 135 air carriers

B. Coordination. This task requires coordination with the principal maintenance inspector (PMI) and principal avionics inspector (PAI) and may also require coordination with the certificate-holding district office (CHDO) having responsibility for the organization with whom the air carrier has made maintenance arrangements.

3. REFERENCES, FORMS, AND JOB AIDS.

A. References (current editions):

- 14 CFR parts 43, 91, 119, 121, and 135
- Advisory Circular (AC) 120-16, Air Carrier Maintenance Programs
- AC 120-79, Developing and Implementing a Continuing Analysis and Surveillance System
- Operator/contractor/manufacture's manuals
- ATOS Element: 1.3.7

B. Forms:

- FAA Form 8400-8, Operations Specifications

C. Job Aids:

- Automated OpSpecs checklists and worksheets

- JTAs: 3.3.51, 3.3.52

5. PROCEDURES.

A. Utilizing ATOS SAI Element 1.3.7, Outsource Organization.

(1) ASI's with oversight responsibilities for part 121 air carriers are required to use the ATOS SAI Element 1.3.7, Outsource Organization, DCT when evaluating the air carriers outsource maintenance program as detailed below. Detailed description of the SAI, and general guidance for the use of the tools can be found in Order 8300.10 Volume 1, Chapter 16, Evaluating Part 121 Air Carrier Programs with SAI and EPI DCT's and Order 8400.10, appendix 6.

(2) To ensure that the word version of the SAI you are assigned is current, it is recommended that "copies" be obtained from the FSIMS Web site at <http://fsims/>.

B. Evaluate the Air Carriers CAMP Regarding Outsource Maintenance.

(1) Aviation safety inspectors (ASI) with surveillance responsibilities for air carriers should review the carrier's maintenance program to determine whether the certificate holder's procedures adequately address all aspects of outsourcing maintenance. These policies and procedures should be easily recognizable, identified and defined.

(2) Under part 121, § 121.367 and part 135, § 135.425, the air carrier's maintenance program must ensure the maintenance provider will perform work IAW the carrier's CAMP. The information necessary to ensure compliance with the carrier's CAMP must be made available to the maintenance provider and the carrier must ensure the maintenance provider follows the information supplied. Further, the air carrier must be able to show that the maintenance provider's has competent personnel, adequate equipment and facilities. By showing all the above requirements are complied with, the carrier is able to ensure its aircraft are properly released to service in an airworthy condition under the carrier's specific maintenance program.

(3) Under §§ 121.369 and 135.427, the air carrier's manual must cover the administration of its CAMP, as written in its manual. The manual must include specific methods for complying with the applicable sections of parts 121 and 135 when maintenance providers perform maintenance, preventative maintenance and alterations on behalf of the air carrier. These sections also require the air carrier to list in its manual the persons with whom it contracts for maintenance and to include a description of the contracted work.

(4) The following specific areas must be addressed in the air carrier's CAMP

(a) *Adequate Organization.* Under §§ 121.365, 135.423, and 135.425, the air carrier must ensure that the person with whom it arranges to perform maintenance has an organization capable of handling the work. The carrier must evaluate the minimum organizational requirements a maintenance provider must meet for a particular job. The air carrier must ensure the outsource maintenance provider is capable of performing its CAMP requirements as provided by or as authorized by the carrier for the type of work being outsourced. Further, if required inspection items (RII) will be maintained or altered by the maintenance provider, the inspection functions must be separated within the outsourcing organization. If the carrier's maintenance program or procedures require specific compliance aspects, the carrier must be able to show that the maintenance provider is equally capable of following the manual and procedures.

(b) *Required Inspection Personnel.*

i. Under §§ 121.371 and 135.429, the air carrier must ensure the maintenance provider performing the work knows its specified RIIs. The carrier must also ensure that the maintenance provider RII authorized personnel are trained IAW the requirements of carrier's CAMP.

ii. Each air carrier shall maintain, or determine that each person with whom it arranges to perform its required inspections maintains, a current listing of persons who have been trained, qualified, and authorized by the carrier to conduct required inspections. The persons must be identified by name, occupational title, and the inspection that they are authorized to perform. The air carrier shall give written information to each person so authorized by the carrier, describing the extent of the person's responsibilities, authorities, and inspection limitations. The air carrier must provide this list for inspection upon FAA request.

(c) *Continuing Analysis and Surveillance.*

i. Under §§ 121.373 and 135.431, the air carrier must continually survey its CAMP and all persons acting under that program to ensure continuous compliance with its CAMP and the regulations. The air carrier must have a system in place that detects, identifies, and provides timely corrective action, on a continuing basis, for all deficiencies or deviations in those portions of the CAMP accomplished by the substantial maintenance provider, including maintenance recordkeeping. This generally requires the air carrier to perform audits of all its maintenance providers.

ii. The air carrier must have a system in place that tracks and evaluates, on a continuing basis, the standards of performance (quality) of the substantial maintenance work accomplished by the individual maintenance provider. This must include provisions for timely corrective action if the quality of work becomes unsatisfactory and deficiencies are noted.

iii. Air carriers audits for their outsource maintenance provider need to ensure they are auditing for compliance to their program. Audits performed by air carriers that just ensure the outsource provider is in compliance with part 145 may be contrary to regulations. The air carriers should have an "in-process" type audit to follow the maintenance through its cycle to ensure the provider is in compliance with the air carriers program.

iv. Air carriers will not normally perform audits of third party organizations that certificated repair facilities sub-contract with. The air carrier must however, have a process that determines if the third party outsource maintenance provider has the organizational structure, competent and trained personnel, adequate facilities and equipment to perform the intended functions. This process must ensure that the air carrier maintains its responsibility by being in control of their maintenance regardless of whom performs it.

(d) *Training Programs.* Under §§ 121.375 and 135.433, the air carrier must ensure that they have a training program to ensure each person who determines the adequacy of work is fully informed about procedures and techniques and new equipment in use and is competent to perform his duties. This applies to any person employed by any company that performs maintenance for an air carrier. The air

carrier must detail in their CAMP how they will comply with these regulation for all outsource maintenance personnel. The air carrier can evaluate and accept the training programs of the maintenance provider if they have determined that the maintenance providers program meets the intent of §§121.375 and 135.433. This process must be described in detail in the carriers CAMP.

(e) *Duty Time.* Under § 121.377, the air carrier must ensure its maintenance providers follow the duty time requirements. If the air carrier's CAMP indicates the maintenance provider provides specific assurances, the contractor must provide those assurances. The carrier must ensure the maintenance provider has procedures in place to ensure those assurances are being met.

(f) *Certificate Requirements.* Under §§ 121.378 and 135.435 the air carrier must ensure only appropriately certificated persons are directly in charge of maintenance and/or perform required inspections. Unless the certificated repair stations is located outside the United States.

(g) *Authority to Perform.* Under §§ 121.379 and 135.437, the air carrier is authorized to perform or arrange for the performance of maintenance on its own aircraft as set forth in the air carrier's CAMP. The center of the relationship between air carriers and maintenance providers are the procedures and assurances set forth in the carrier's CAMP. The ASI should continually ensure that the carrier is able to establish compliance with its own procedures, either through direct supervision, surveillance, and/or auditing, or through appropriate controls such as contractual relationships.

(h) *Records.* Under part 43, § 43.9; part 91, § 91.417; part 121, § 121.380; and part 135, § 135.439, aircraft owners and operators must maintain specific records. If the carrier's CAMP indicates that the responsibility of making regulatory records available may be delegated to maintenance providers, the air carrier should clearly define the records to be maintained, the length of time the records should be kept, and the form and manner of maintaining those records. (Reference: 14 CFR part 119, § 119.59(b)(1)(ii).) This must also include where the records will be physically located and how the information will be included in the air carriers CASS.

(i) *Other Areas of Consideration.*

i. The source of major repair and major alteration data developed by or for the air carrier must be

accomplished IAW the air carrier's procedures in the CAMP.

ii. The air carrier must ensure that all organizations with whom it arranges will adequately and promptly report to the air carrier per the requirements of §§ 121.703 and 121.705, or §§ 135.415 and 135.417.

iii. The air carrier must update the list required by §§ 121.369(a) and 135.427(a).

iv. Air carriers who are authorized by OpSpecs to utilize C.A.S.E. audits for the surveillance of repair stations must have procedures in their manual to determine if C.A.S.E. audits are acceptable to use for the work being performed.

v. Air carriers who participate in parts leasing or exchange pools must have policies and procedures in place to ensure the regulatory responsibility for the performance of maintenance and CASS are met. Data produced by these parts/components must be analyzed to determine that the air carrier's programs are working effectively as intended and that any deficiencies are corrected.

vi. An air carrier that elects to obtain the services of a outsource maintenance provider on an unscheduled and/or short notice basis must include specific procedures for doing so in its manual. However, the circumstance of an unscheduled, short notice requirement for substantial maintenance does not void the requirements of §§ 121.365, 121.367, and 121.378, or Operations Specifications (OpSpec) D091 subparagraph (a), if applicable, or any other applicable regulation.

vii. All necessary policies and procedures must be included in the air carriers manual in order for the air carrier to determine that all sub-contracted work performed is accomplished in accordance with the CAMP. This includes sub-contracted labor at the carriers facility or at a outsource maintenance facility.

viii. All necessary policies and procedures to transfer and receive data and information necessary to support the continuing analysis and surveillance program, reliability program, or other programs from which the air carrier has interfaces with outsource maintenance.

C. Evaluating and Accepting Procedures/Methods of an Outsource Provider as Part of the Carrier's CAMP.

(1) Instead of a carrier reiterating the maintenance requirements or publications that are already contained in a outsource provider's manual, the carrier may evaluate and accept the providers manual, in part or as a whole, as part of their CAMP. This evaluation should include the key elements of the performance of maintenance as described in section 1:

(a) For example, an air carriers calibrated tool interval for recalibration is 12 months and a review of the outsource maintenance providers manual shows their requirement is 18 months. In this situation the carrier can evaluate the calibrated tool program of the provider and accept the 18-month interval or the carrier can instruct the provider that the calibrated tools used on their aircraft must be calibrated within the last 12 months.

(b) Another example is maintenance documentation. The carriers program will require all maintenance discrepancies to be documented on their specific company forms. A carrier can evaluate the maintenance forms used by the maintenance provider and determine that their methods of documenting maintenance are acceptable and allow the maintenance provider to use their forms instead of the carriers.

(2) In either case, it is important to note that this evaluation is not necessarily a comparison of the outsource providers manuals to the air carrier manuals to determine that the programs are the same, but rather an evaluation of the maintenance providers manual to determine if their program is acceptable to the carrier for the accomplishment of the particular maintenance. Once this evaluation has taken place the carrier will detail to the maintenance provider how the maintenance needs to be accomplished. It should also include the method for disseminating the authorization and specific work instructions to the maintenance provider. This evaluation process and subsequent dissemination to the outsource provider should be described within the carrier's outsource maintenance program portion of its CAMP. Instead of the carrier revising its CAMP each time this process takes place, the carrier can place the specific work instructions to the maintenance provider in the contract or in a letter. This process, as a whole, complies with the requirements to perform maintenance in accordance with the carrier's manuals per §§ 121.363(b), 121.367(a), 121.379(a), 135.413(b)(2), 135.425(a), and 135.437(a).

(3) Air carriers should differentiate these policies and procedures between the different levels of outsourcing maintenance. Substantial maintenance providers versus non-substantial maintenance providers or providers of on-aircraft work versus a repair station who repairs components. For example, steps 1 and 2 above may be used for outsource providers who perform substantial maintenance such as C checks. However, for outsource providers who perform repairs of components the carriers evaluation may simply be reviewing the results of a questionnaire sent to the provider. Normally the instructions for the accomplishment of maintenance for these types of providers are stated on a purchase order or work order.

NOTE: This evaluation process must be procedurally described within the carrier's CAMP and include the method for disseminating CAMP procedures and authorization of maintenance provider technical and administrative material to the maintenance provider. (Ref. OpSpec D091 subparagraph (a).)

(4) Once the air carrier and the outsource provider enter into an agreement in which the air carrier will accept the outsource providers procedures, those procedures are now part of the air carriers CAMP. Any revisions to the accepted procedures by the outsource provider, in effect, revise the carriers CAMP. Policies and procedures must be contained in the carrier CAMP to ensure that the air carrier is in control of their CAMP. They must ensure the carrier is aware of any such revision prior to the outsource provider implementing those revisions. These procedures must include a method to re-evaluate the revisions (as described above) and determine if they continue to be acceptable to the carrier. The manuals must identify who is responsible to ensure this process is functioning and who has the authority to revise this process.

D. Determine Qualification to Perform Substantial Maintenance for an Air Carrier.

NOTE: The provisions of substantial maintenance provider guidance and the subsequent issuance of OpSpecs D091 are only applicable to part 121 operators.

(1) Prior to using a maintenance provider for the first time, unless the air carrier can successfully demonstrate to the PMI by other means of accurately determining the capability and adequacy of the

proposed maintenance provider, the air carrier must conduct an onsite audit of the maintenance provider. The air carrier's onsite audit or other means, must demonstrate to the PMI that the maintenance provider has qualified in accordance with the carriers program and the information in this chapter.

(2) Air carriers may substitute a current C.A.S.E. audit report for the required onsite audit if it can be determined that the CASE audit addresses all elements above. The air carrier must perform an onsite audit of those elements of the above paragraph 5D(1)(a) that are not accomplished by the auditing organization.

(3) The air carrier must submit a copy of the audit report to the PMI for review in a checklist or a summary analysis form. That report should show how the air carrier made its determination that all of the requirements in this chapter have been adequately addressed.

7. TASK OUTCOMES.

A. Complete the Task. Completion of this task will result in one of the following:

(1) If the operator's manual and outsource agency are determined to be satisfactory, accept the manual and issue OpSpec D091 (if applicable) per the guidance in vol. 2, ch. 84. OpSpecs A004, subparagraph (a) or A004, subparagraph (b), as appropriate, must also be amended if necessary.

(2) If the operator's manual is determined to be unsatisfactory, return the manual for corrections.

(3) If the outsource provider is determined to be unsatisfactory, deny the operator the use of that provider.

B. Update the Vital Information Subsystem (VIS). If provider is accepted open the operator's VIS record and update the information on the VIS, page 4 of the air operator record in the field "Airworthiness Agreement." The PMI should determine whether or not revisions to OpSpecs for contracted maintenance are required. The VIS record field(s) should reflect the most appropriate choice. The two pertinent option codes for maintenance are:

A: Contracts out most/all maintenance

P: Contracts out a substantial maintenance function

C. Document the Task. File all supporting paperwork in the operator/applicant's office file.

D. Complete PTRS/ATOS SAI Data Collection Tools.

(1) *Comment Fields:*

(a) Inspectors will validate the overall effectiveness of their assigned certificate holders' management and oversight of outsourced maintenance.

(b) All comments should be written in clear, concise language. Explanations should be complete and descriptive, with as much information as necessary for other CMT members to understand the comments without requiring further information from the inspector. Comments submitted should include who, what, where, when, why, and how. References should be entered when appropriate.

(2) *SAI Recording.* Essential elements of the system, as outlined in the SAI, must be validated through collection and recording of objective evidence that the system is properly designed and well managed. The objective is to evaluate the effectiveness of the certificate holder's system. Collection and recording of objective evidence will assist in determining whether the system is properly designed and well managed.

(3) *Part 135 (10 or More).* Open PTRS Data Sheets for each outsource maintenance facility inspection performed by the CHDO team. Comments concerning the method of inspection used by the air carrier or operator, and any other possible findings identified during the inspection process, should be recorded in section IV of the PTRS Data Sheet.

(4) *Non-ATOS 121.* Inspectors accomplishing the SAI will record information that they deem to be essential under activity code 3617 or 5617 in the PTRS in accordance with standards of the PTRS procedures manual (PPM). Records of inspections should provide clear, objective, factual statements of what was observed and which area in the SAI was evaluated. Inspectors will record information that supports conclusions (positive or negative) about the

system in the PTRS “Comments” section. Comments associated with “No” answers to DCT questions will include the question number at the beginning of the comment narrative.

(5) *ATOS CMTs*: Inspectors will record SAI information in accordance with Order 8400.10, Air Transportation Operations Inspector’s handbook, appendix 6 and the ATOS Automation Users Guide.

9. FUTURE ACTIVITIES. Continuous Monitoring. The process of risk management is Continuous and goes hand in hand with the air carrier’s CAMP. The certificate holder must continuously update its programs and allocate its resources and activities to meet changes in its operating environment. Inspectors must emphasize this continuing responsibility to air carrier management personnel.